

DISCUSSION/ACTION
July 27, 2018

HIGHER EDUCATIONAL AIDS BOARD

BOARD REPORT #19-03

2019-2021 BIENNIAL BUDGET ISSUES

UNIVERSITY OF WISCONSIN SYSTEM



Office of Finance

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July 20, 2018

Steve Midthun, Chair *Via Electronic Mail*
John Reinemann, Executive Secretary *Via Electronic Mail*
Higher Educational Aids Board
PO Box 7885
Madison, WI 53707-7885

Dear Board Chair Midthun and Executive Secretary Reinemann:

Enclosed with this letter please find a resolution adopted by the Board of Regents of the University of Wisconsin System at their June 2018 meeting, along with the supporting materials that were provided. This resolution contains the recommendations for the Wisconsin Grant-UW program that the Board has requested be included in the Higher Educational Aids Board's (HEAB) 2019-21 Biennial Budget submission.

State funding for the Wisconsin Grant-UW program is \$61.9 million. Since 2009-10, the number of recipients of Wisconsin Grants-UW has increased from 25,624 in 2008-09 to 30,144 in 2016-17, an increase of 18 percent. To provide a Wisconsin Grant to this growing population of eligible students, the UW System decreased the award amounts to individual recipients.

As a result, the average grant award decreased by 6 percent, from \$2,161 to \$2,022. To return average grants to the 2009-10 level of \$2,161 the University of Wisconsin System Board of Regents recommends an increase of \$3,247,100 in 2019-20, for a biennial increase of \$6,494,200.

The requested 2019-21 funding for the Wisconsin Grant program will help more students access and complete a quality higher education program, producing a more highly skilled and educated workforce. Additional resources for the Wisconsin Grant program will also help address student debt and affordability, two areas of growing concern to the citizens of Wisconsin.

Thank you for considering this proposal for inclusion in HEAB's 2019-21 biennial budget request. If you have any questions regarding this request, please do not hesitate to contact my office.

Sincerely,

A handwritten signature in black ink, appearing to be 'SPN', written over a light gray background.

Sean P. Nelson

Financial Aid: 2019-21 Wisconsin Grant-UW
Funding Recommendation

BOARD OF REGENTS

Resolution 14:

That, upon the recommendation of the President of the University of Wisconsin System, the Board of Regents submits the following 2019-21 Wisconsin Grant-UW funding request to the Wisconsin Higher Educational Aids Board (HEAB), for inclusion in HEAB's 2019-21 biennial budget request:

“That the funding for the Wisconsin Grant-UW program increase by \$3,247,100 in 2019-20 to return the average award to the 2009-10 level of \$2,161, providing a biennial increase of \$6,494,200.”

**RECOMMENDATION ON WISCONSIN GRANT-UW
FOR THE 2019-21 BIENNIUM**

BACKGROUND

The Wisconsin Grant-University of Wisconsin (UW) program is the state's largest financial aid program for students attending UW institutions. The program is administered by the State's Higher Educational Aids Board (HEAB). In even-numbered years, a budget request for the Wisconsin Grant-UW is approved by the Board of Regents, and then forwarded to HEAB for inclusion in that agency's biennial budget submission to the Department of Administration.

In the 2017-19 biennial budget, state funding for the Wisconsin Grant-UW program increased by \$2,142,100 in 2017-18 and by another \$1,406,600 in 2018-19. Total state funding for the Wisconsin Grant-UW program is \$61,894,100 annually. Since 2009-10 the number of students eligible for Wisconsin Grants-UW has increased from 25,624 in 2009-10 to 30,144 in 2016-17, an increase of 18 percent. To provide financial aid through the Wisconsin Grant to this growing population of eligible students, the UW System decreased the award amounts to individual recipients.

REQUESTED ACTION

Approval of Resolution 14, the Board of Regents' 2019-21 Wisconsin Grant-UW funding request to the Wisconsin Higher Educational Aids Board.

DISCUSSION

As shown in Table 1, the number of Wisconsin Grant-UW recipients increased by 18% between 2009-10 and 2016-17, from 25,624 recipients to 30,144 recipients; but the average grant award decreased by 6%, from \$2,161 to \$2,022. To return average grants to the 2009-10 level of \$2,161 would require an increase of \$3,247,100 in 2019-20, or a biennial increase of \$6,494,200.

**Table 1: Wisconsin Grant Awards to
UW System Undergraduates
(Available to Wisconsin Residents Only)**

Year	Recipients	Avg. Grant
09-10	25,624	\$2,161
10-11	30,344	\$1,962
11-12	30,675	\$1,901
12-13	31,758	\$1,835
13-14	32,880	\$1,773
14-15	32,885	\$1,773
15-16	31,747	\$1,754
16-17	30,144	\$2,022

The proposal would return the average award to the 2009-10 level of \$2,161.

RELATED REGENT POLICIES

None